

Message Text

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ACTION EUR-12

INFO OCT-01 IO-13 ISO-00 STR-07 STRE-00 AID-05 CEA-01
CIAE-00 COME-00 EB-08 EA-10 FRB-03 INR-10 NEA-10
NSAE-00 ICA-11 OPIC-03 SP-02 TRSE-00 LAB-04
SIL-01 OMB-01 SS-15 AGR-01 XMB-02 L-03 NSC-05
/128 W

-----017155 141901Z /72

P 141804Z APR 78
FM USMISSION GENEVA
TO SECSTATE WASHDC PRIORITY 8432
INFO AMEMBASSY BRUSSELS
AMEMBASSY BUCHAREST
AMEMBASSY BUDAPEST
AMEMBASSY PARIS
AMEMBASSY WARSAW

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USMTN

USEC
USOECD

PASS STR
STR PASS CODEL

E.O.11652:N/A
TAGS: ETRD, MTN
SUBJECT: EASTERN EUROPEAN RECIPROCITY IN THE MTN
REF: PARIS 08411

1. AT EC INITIATIVE, CULBERT MET WITH KAWAN (EC) AND HIS
ASSISTANT ON APRIL 12 TO DISCUSS U.S. AND EC APPROACHES TO
EASTERN EUROPEAN RECIPROCITY IN THE MTN. EC HEAD OF DELE-
GATION (LUYTEN), U.S. MISSION ECON MIN BRUNGART AND
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DAMERON (EUR/RPE) WERE ALSO PRESENT. THE DISCUSSION WAS
ESSENTIALLY A REPETITION OF U.S.-EC VIEWS AIRED AT
MARCH 7-8 OECD MEETING (REFTEL) AND, WE REGRET TO SAY, DID
NOT UNCOVER A BASIS FOR BRINGING U.S.-EC VIEWS CLOSER
TOGETHER ON THIS VEXING PROBLEM.

2. KAWAN CONSIDERS U.S. ARGUMENTS AGAINST EE SECTORAL

IMPORT COMMITMENTS (SIC) HAVE LITTLE OR NO MERIT. HE OFFERED TO SUPPORT THE SAME KINDS OF REQUESTS WE HAVE ADDRESSED TO POLAND AND ROMANIA, AND ALSO OFFERED TO CONVERT EC REQUESTS FOR DISCRIMINATORY AGRICULTURAL CONCESSIONS INTO MFN CONCESSIONS IF U.S. WOULD SUPPORT EC'S INDUSTRIAL SIC REQUESTS. KAWAN SAID LATTER WERE RECENTLY HANDED TO EE COUNTRIES AND WOULD BE CIRCULATED IN MTN DOCUMENT SERIES. WE RECEIVED IT APRIL 13 (MTN/NTM/R/4/ADD 2, BEING POUCHED). IT REQUESTS "AN ENGAGEMENT TO ENSURE AN APPROPRIATE RATE OF INCREASE OF IMPORTS FROM OTHER CONTRACTING PARTIES OVER THE NEXT EIGHT YEARS" FOR PRODUCTS LIKE PHARMACEUTICALS, PHOTOGRAPHIC EQUIPMENT, LEATHER GOODS, FABRICS AND APPAREL, COPPER ARTICLES, ELECTRICAL MACHINERY, AUTOMOBILES, AIRCRAFT, OPTICAL INSTRUMENTS, WATCHES, FURNITURE. LISTS ARE ADDRESSED TO BULGARIA, CZECHOSLOVAKIA, HUNGARY, POLAND AND ROMANIA.

3. KAWAN SAID EC IS SERIOUSLY TROUBLED THAT EE COUNTRIES ARE GOING TO GET A FREE RIDE IN THE MTN UNLESS WESTERN COUNTRIES JOIN FORCES TO DEMAND SOMETHING MEANINGFUL FROM THEM IN TRADE TERMS THAT CAN BE OFFERED BY EE COUNTRIES CONSISTENT WITH THEIR ECONOMIC SYSTEMS. WHILE KAWAN THINKS THE MEASURES U.S. HAS REQUESTED WOULD BE USEFUL, IF ACCEPTED BY EE, THEIR TRADE IMPACT WOULD BE MINIMAL AND NON-QUANTIFIABLE. NON-DISCRIMINATORY GATT-WIDE SICS WOULD, IN EC VIEW, BE MEANINGFUL, CONSISTENT WITH EE LIMITED OFFICIAL USE

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SYSTEMS, AND WOULD HELP RATHER THAN HARM WESTERN COUNTRIES. EC CONSIDERS IT HAS NO CHANCE OF GETTING EES TO ACCEPT IF U.S. EITHER DECLINES TO SUPPORT OR ACTIVELY OPPOSES EC REQUESTS. IF EES DECLINE, EC WILL DECLINE ALL EE REQUESTS ADDRESSED TO EC BUT EVEN THIS WILL LEAVE SITUATION BADLY UNBALANCED IN EE FAVOR DUE TO MFN RULE FOR TARIFF CUTS.

4. DRAFTED BY CULBERT. MCDONALD

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NNN

Message Attributes

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Draft Date: 14 apr 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
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